

State of Utah
School & Institutional
Trust Lands Administration

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Washington, Utah 84780
435-652-2950
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<http://www.trustlands.utah.gov>

September 15, 2008

RE: Commercial, RV Park Facility, and RV/Mini Storage in St. George City, Washington County, Utah

To Whom It May Concern:

The State of Utah School and Institutional Trust Lands Administration ("Trust") is an independent state agency established to manage land for the financial benefit of the Trust beneficiaries. The Trust is requesting proposals for a development transaction on up to five of its prime parcels that are designated for the development of commercial real estate uses, including community commercial and service retail, recreational vehicle park, and RV/mini storage property in St. George, Utah (see Attachment 3). Although mini storage is a permitted use under the current zoning on parcels A & B, it will be at the Trust's sole discretion whether to allow mini storage in the overall design of the project; however, RV storage will be allowed on parcels A & B. In February 2007, the City of St. George approved a zoning change on the property to the PD zone. When combined, the five parcels consist of approximately 84 acres, located near and west of the new Atkinville Interchange on I-15 located at Milepost 2.

Proposals may be submitted for all parcels in this offering, an individual parcel, or any combination of parcels thereof. Proposals for a real estate development transaction on these parcels may include an outright purchase offer, *an unsubordinated development lease, or ground lease proposal for the property*. An outright purchase offer should be for a lump sum dollar amount the developer is prepared to pay for the entire 84 acres, individual parcels, or any combination thereof in their entitled "as-is" condition. *Under the unsubordinated development lease scenario, the Trust holds the land and the developer provides the infrastructure, capital, expertise, sales, and management for the development of each parcel. The Trust is compensated by an annual holding cost lease payment and a percentage of the gross selling price at the time a recorded subdivided plat, lot, parcel, out parcel or pad is sold. The development lease proposal must explicitly state the aforementioned percentage of the gross selling price of each subdivided plat, lot, parcel, out parcel, or pad sale paid to the Trust accompanied by a detailed development pro forma. The Trust will also consider a joint venture proposal for the development.*

All the parcels are contiguous and are located within St. George city limits near the southwestern boundary of the community. The parcels are located on the east side of the Sun River retirement community, on the south side of the newly approved Las Colinas subdivisions. Currently, Pioneer Road at Milepost 4 is the primary access to these parcels from I-15 in St. George. Milepost 2, when completed later this year, will provide an additional primary access to development site via Pioneer Road. Our plans for the entire five-parcel development site contemplate a quality development that will be comparable and visually integrated with adjacent and the future development around Milepost 2 as part of the South Block Master Plan.

The enclosed packet of materials includes a map of the approximate location within St. George City and an aerial depiction of the boundary of the parcels and their approximate sizes. The packet also includes examples (photos, see Attachments 5 & 6) of what the St. George City Council generally anticipates being constructed on the RV Park parcel at the time the zone change was granted for this parcel. Also included is an area master plan and some summary background information about the Trust and a general review of the typical transaction structure the Trust is able to consider for its development transactions.

We invite all interested parties to submit proposals that project a clear and compelling vision for the development of these parcels. Proposals that include a thorough financial analysis as part of a detailed business plan and include a track record of successful comparable projects are will be given more favorably weighted consideration. The Trust will use, but not be limited to, the following criteria to evaluate all proposals:

- The character, professional reputation, financial strength, credit history and prior real estate development experience of the party with whom the development transaction is proposed.
- The projected financial returns and benefits of the proposed development transaction to the Trust; especially any joint venture proposal.
- The legal structure, including all principal parties, to the proposed development transaction.
- The ability of the party to implement the approved RV Park as approved by the St. George City Council with associated CC&Rs and Design Guidelines, in addition to a cohesive design pattern with the additional parcels in this offering.
- Development and management plans.

Proposals must be submitted in sealed envelopes by the time and date specified below. The proposal opening and evaluation process for these parcels will not be open to the public. The Trust will review the written proposals and may request presentations in person, as determined by the Trust. The Trust may select a single developer, or several developers, with whom to initiate additional negotiations and reserves the right to negotiate terms and conditions that may result in the modification of any or all parts of a proposal. The Trust's final determination will not be made public until such time as the negotiated transaction has been presented to and approved by the Trust's Board of Directors.

Personal or financial information contained in the proposals will remain confidential. We anticipate that selection of the developer and final negotiation of a transaction will be completed within 60 days of the date of this letter, allowing the project to commence by February, 2009, or after final board approval is given.

The Trust expressly reserves the right to reject any and all proposals for any reason. The selection, negotiation and modification of any proposal are at the sole discretion of the Trust.

The enclosed or attached materials are provided for your use in preparing a proposal. We do not warrant this information and you should rely on your own research and investigation of the property prior to submitting a final proposal. We encourage you to contact us to gather additional information about this development opportunity and to arrange a visit to personally evaluate the site.

Although Brokers are encouraged to work with prospective clients to inform them of this opportunity, the Trust does not compensate brokers for their work. Accordingly, Brokers should arrange for compensation arrangements from their respective clients. Brokers will also be required to provide the Trust with a copy of their client agreement to become involved in the selection process.

The deadline for the Trust's receipt of proposals should be on or before, but in no event, later than 5:00 p.m. on October 16, 2008. We look forward to hearing from you. If you have any questions please contact us at (435) 652-2950.

Thank you:

G. Brent Bluth
Deputy Assistant Director
Planning & Development

Commercial, RV Park, and Mini Storage Property Offering

INFORMATION

LOCATION

These parcels of property are located in St. George, Utah near the new Mile Post 2 interchange that is currently under construction, and the Sun River community. Generally, the property consists of:

- 20.79 acres zoned recreational vehicle park property (RV)
- 23.21 acres zoned mini storage property (MS)
- 8.65 acres zoned community commercial property (CC)
- 23.14 acres zoned commercial property (C)

All parcels border each other and are situated in the southwest part of St. George, Utah between the Sun River retirement community, the Las Colinas subdivision, and I-15. The combined parcels, including open space, roads, and public facilities totals approximately 84 acres.

GENERAL DESCRIPTION

The property is bounded on the north by the approved Las Colinas Subdivision and the Virgin River; on the west by the Sun River retirement community; on the east by the Pioneer frontage road and I-15; and on the south by a private mixed-use development property. The site location map and area master plan maps are attached.

The commercial property has a future city fire station planned for the southeast corner of the parcel (2.1 acres) at the intersection of Pioneer Road and a proposed street Bluegrass Way.

ENTITLEMENTS

The City of St. George approved a zone change on the RV, CC, and C parcels in February 2007. All parcels are currently zoned PD which entitles them to those uses described, and more particularly identified in the approved PD Zone application, which is available. In addition, the City Council imposed certain requirements which are applicable to the RV parcel and the construction of an RV park. The successful developer will be required to obtain preliminary and final plat approval as well as site and grading plan approval from St. George City prior to improving the parcels and installing infrastructure on any of the parcels.

DEVELOPER OBLIGATIONS INCLUDE:

- Preliminary and Final Plat approval from the city of St. George.
- Design and construction of all necessary infrastructure needed to construct the project, including a grading plan and grading.
- Posting of the appropriate and required guarantee instruments for the cost of improvements (Bond).
- Any additional studies required by St. George city, including traffic, geotechnical, and other mitigation measures.
- Payment of any Developer Impact Fees and associated city fees.

- Any additional conditions imposed by the legislative bodies during plating and site plan approval.
- Conditions imposed by the Trust as part of any development agreement, lease, joint venture, or declarations.

FIRE & PUBLIC SAFETY

- Police – St. George City Police
- Fire – St. George City Fire & Rescue

UTILITIES

- Potable water supply – St. George City Water
- Sanitary Sewer System – St. George City Wastewater
- Power – Dixie Escalante Power
- Gas – Questar
- Telephone – Qwest
- Cable – Baja Broadband

ACCESS

The successful developer will be required to gain and construct access to the site from one or more different points. Access to the site will be from either Pioneer Road, Arrowhead Canyon Drive, the Las Colinas subdivision to the north, or a combination thereof.

The extension of Arrowhead Drive through the property to intersect with Pioneer Road is a part of the city's master transportation plan and will be required to be constructed by the successful developer. The proposed road may not have to align as depicted on Attachment 3. Other alternatives may work for the efficient movement of traffic through the parcels and to accommodate cross-connection movement, but will require coordination with, and approval from, St. George city.

IMPROVEMENTS

Adjacent roadways and easements contain utilities (gas, power, cable, phone and water). The successful developer will be required to install all necessary improvements, including grading and offsite utility connections or upgrades, according to the approved conditions implemented by the City Council, or city staff when plated or reviewed for site plan approval, and any additional conditions required by the Trust after review of all development plans.

PARCEL CONDITION

The parcels are in a raw and undeveloped state with appropriate zoning entitlements.

PARCEL AVAILABILITY

The parcels are available for development lease, sale, or joint venture. In addition, the parcels will be offered as a combined offering of all parcels or separate parcels in their individual entitled acreages, or a combination thereof.

ANTICIPATED USE

The Trust anticipates a high quality aesthetically pleasing Recreational Vehicle Park to be developed. The Mini Storage project is anticipated to be a cohesive project that will compliment the Recreational Vehicle Park and surrounding commercial uses and structures. The Commercial Parcels are anticipated to service the community and regional market area with appropriate retail and other permitted commercial opportunities that use appealing street front, store front architecture and landscaping design.

Even though these parcels may be acquired by different developers, the Trust will expect the parcels to be compatible with a common architectural theme and cohesive development pattern for all 84 acres.

OFFER INFORMATION

For those parties interested in submitting an offer to develop one, all, or a combination of these parcels, the following elements should be included in your proposal:

- A clear indication of which parcel or parcels are included in the proposal
- Financial pro-forma for the development including absorption projections
- Estimated acreage price points or joint venture participation levels
- Identification of interested party and contact information
- Offer terms & price with any contingencies
- Term of inspection period & closing
- Notification address
- General Development Phasing Plan
- Construction Management and Marketing Plan
- Demonstrated financial ability to execute the development
- If the offering is for less than all the parcels, the methodology to ensure a cohesive design for the development

SUBMISSION ADDRESS

All proposals shall be received by 5:00 PM October 16, 2008. Please send proposals to the following address in sealed envelopes. Faxed proposals will not be accepted.

G. Brent Bluth
Deputy Assistant Director, Planning & Development
2303 N. Coral Canyon Blvd., Suite 100-A
Washington, Utah 84780

Transaction Styles

The State of Utah School and Institutional Trust Lands Administration (Trust) was created as an independent state agency on July 1, 1994. The Trust is responsible for managing trust lands for the financial support of the Trust beneficiaries. The Planning and Development Group at the Trust Lands Administration manages certain Trust properties that have development potential. The Planning and Development Group understands that its different properties demand flexibility in different transaction structures. In recognition of this fact, its Board of Trustees has authorized the Development Group (through Utah Administrative Code Rule R850-140) to negotiate property-specific transactions with the private sector. This has given the development Group the ability to complete complex as well as simple transactions, dictated by the circumstances of the property, the goals of the private sector, and Trust obligations.

Transaction styles range from the simple sale of property to more complex joint ventures styles. The following is a brief description of these approaches:

Sales: In some instances, the Trust is willing to sell its property. Typically, sales involve smaller, subdivided pieces. The paperwork associated with sales is unique to transactions with government. Every sale involves both a Certificate of Sale (which constitutes an agreement of sale and may include an installment sales contract) and a Patent. The Trust often finances sales, typically requiring at least 25% down, an interest rate at 2.5% over prime and with a term subject to negotiation. Partial releases may be arranged under certain circumstances.

Ground Leases: The Trust is interested in entering into ground leases on its commercial and industrial properties whenever possible. Ground lease transactions cannot be subordinated. The Trust understands that ground lease transactions require proper pricing and terms to encourage users and lenders to accept the same. Appropriate lender agreements to support financing are negotiated in these types of transactions.

Development Leases: These contracts enable a developer to improve, subdivide and market trust lands without taking title to the land. The structure is designed to permit the developer to work the land without having to pay for the land until it is sold to the end user. The Trust holds the land and the developer provides the infrastructure capital and expertise. The Trust does not subordinate. Typically this is used on residential development, but has also been used on larger, master-planned communities.

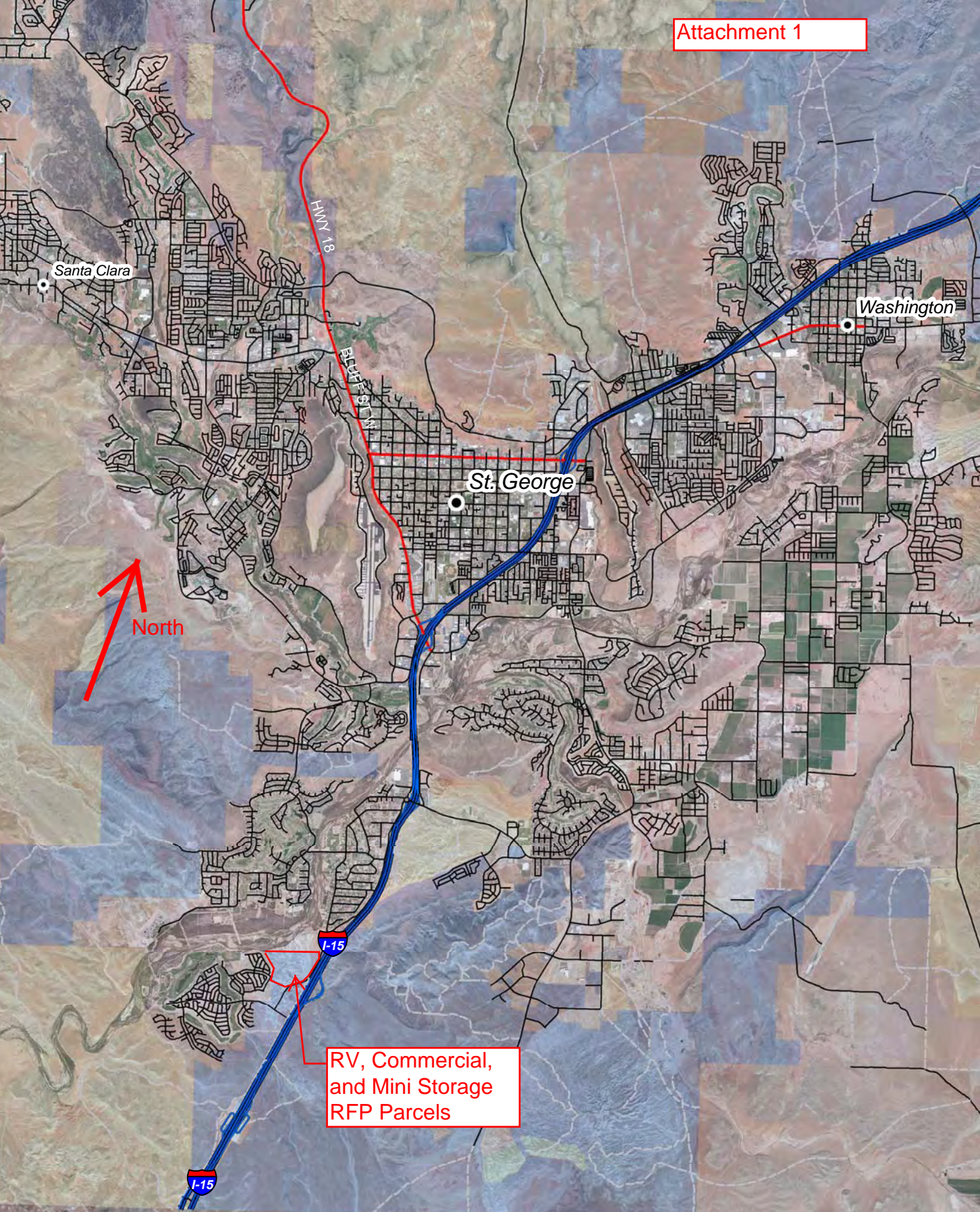
The Trust is compensated by an annual holding cost lease payment and a percentage of the gross selling price at the time a subdivided plat, lot, parcel, out parcel, or pad is sold. If the Developer is also a builder, some form of transfer pricing is negotiated.

Joint Ventures: The Trust acknowledges the opportunity for higher returns which may come from venture relationships. While the Trust is risk averse, on certain key pieces of land it desires to enter into a venture relationship with financially strong, experienced and well respected developers. In these arrangements, the Trust will consider contributing the land into a project-specific limited liability company. The land may then be subordinated to debt arranged by the limited liability company. This format has been used to enable the Trust to become part owner of improvements constructed on its properties.

Participating mortgages: The Trust has completed a number of sale transactions in which it has received back end participation through the vehicle of a participating mortgage. This approach is best suited for transactions on a trust piece that might be considered premature.

Pre-Arranged Sales Leaseback: The Trust is willing to consider a transaction structure to enable commercial users to develop vertical improvements on land with a prearranged sale leaseback to take place upon completion and occupancy of improvements.

The Planning and Development Group understands that each valuable piece of real estate requires a quality development plan and a proper transaction structure. We look forward to working with the development community in designing successful transactions.



Santa Clara

HWY 18

BLUESKY N

St. George

Washington

North

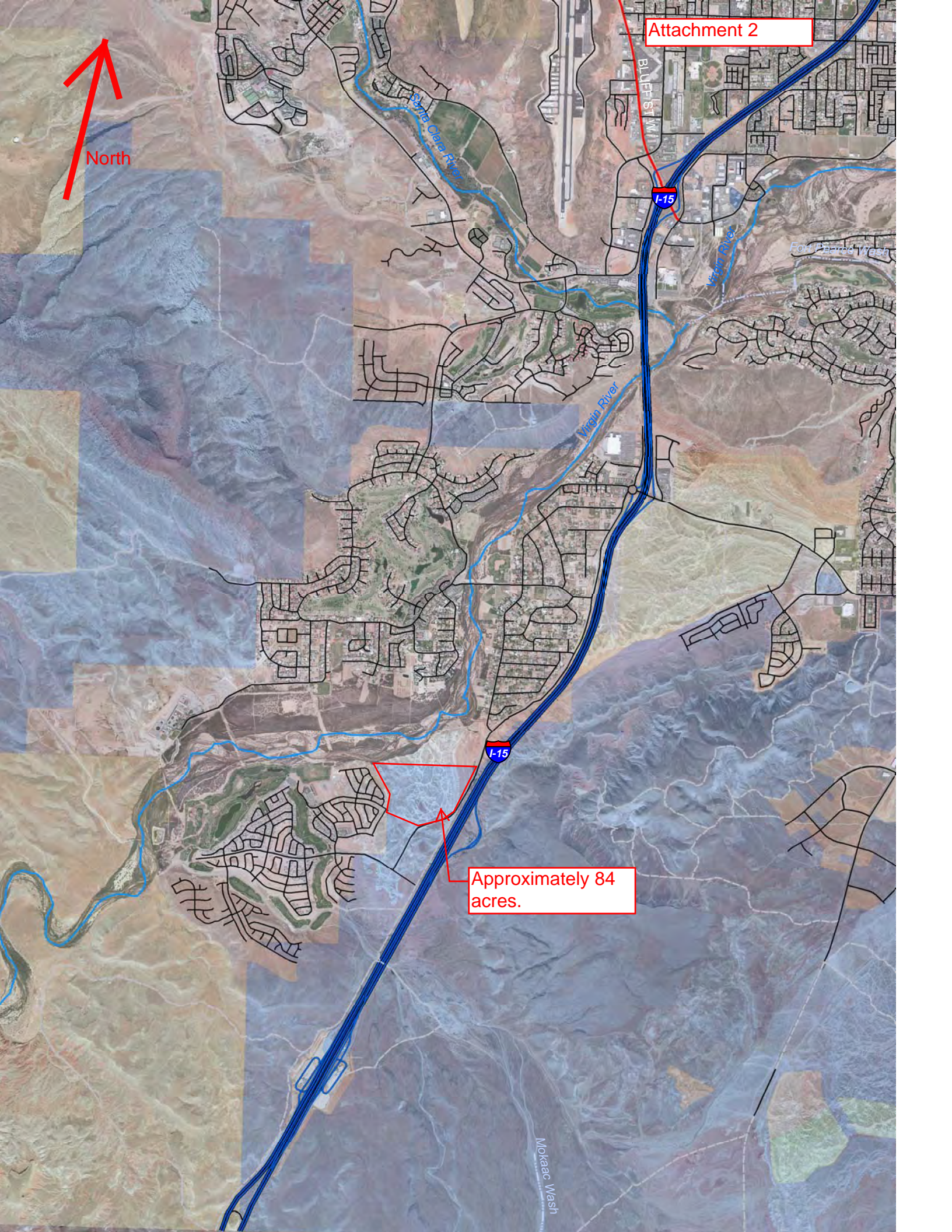
RV, Commercial,
and Mini Storage
RFP Parcels

I-15

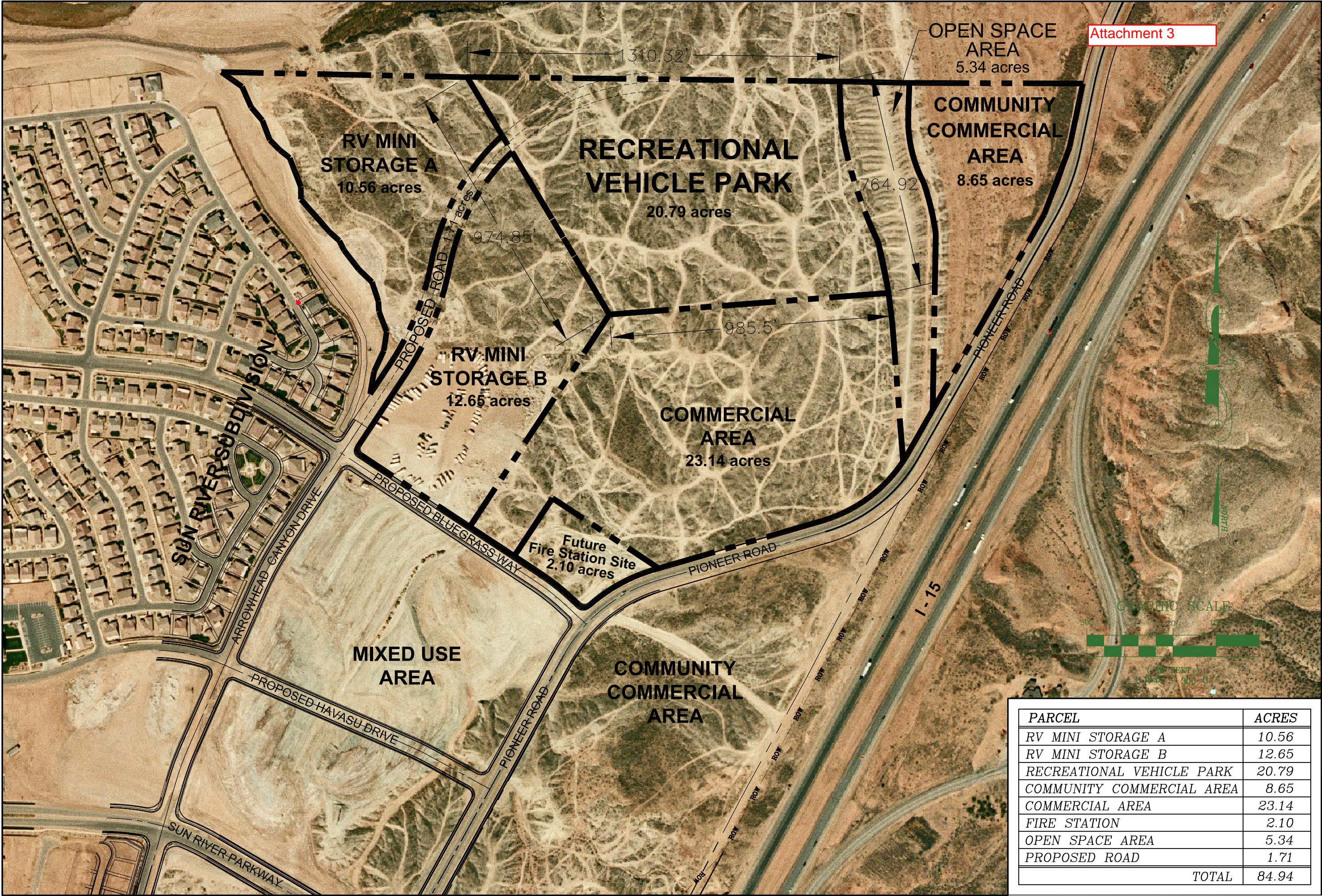
I-15



North



Approximately 84
acres.



Attachment 3

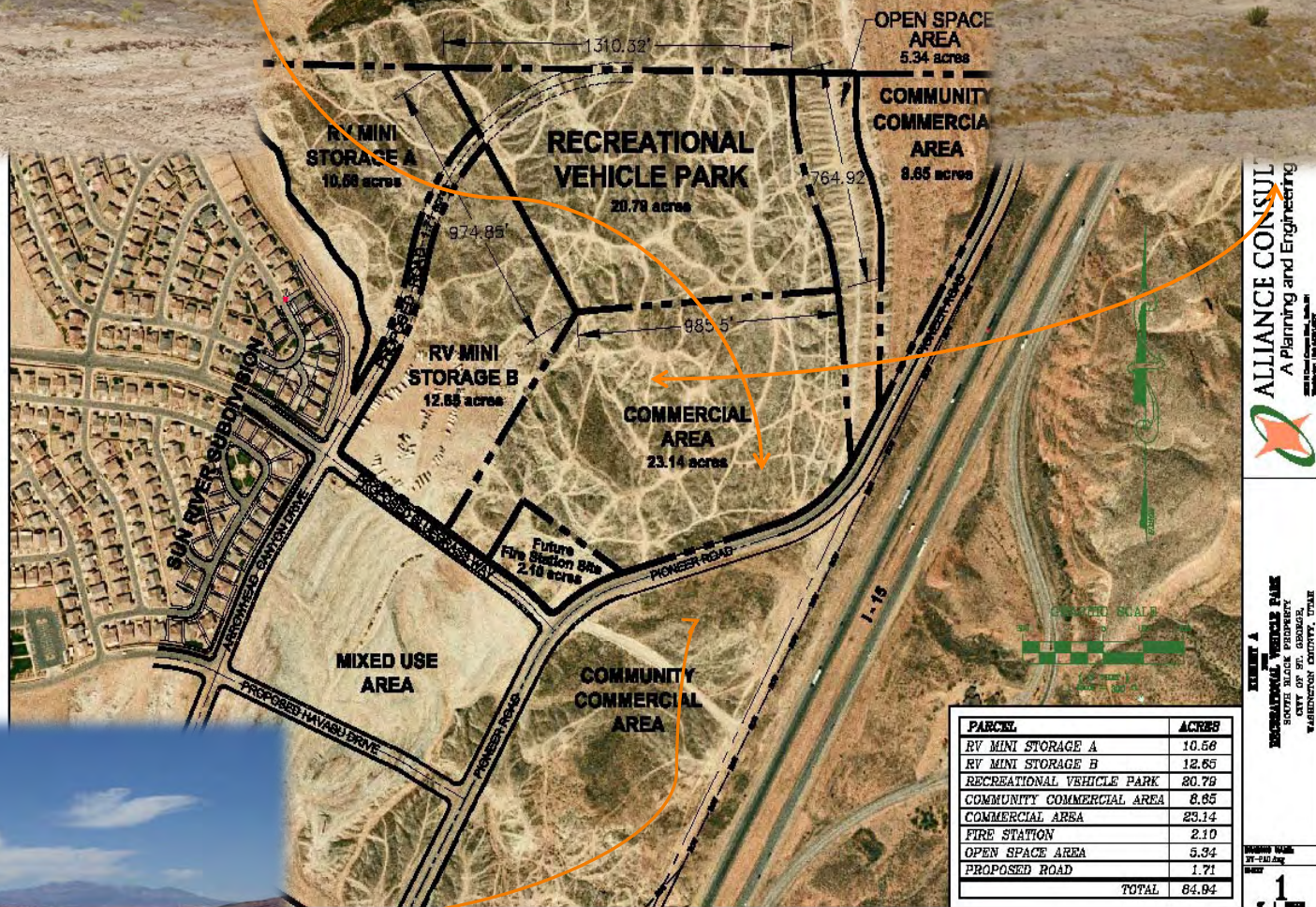
DATE: 4-29-08
JOB NUMBER: 4158-06
SCALE: 1"=300'
DRAWN BY: RAE
CHECKED BY: C.A.C.

ALLIANCE CONSULTING
A Planning and Engineering Firm
2203 N Coral Canyon Blvd., Suite 201
Washington, Utah 84780-5577
Tel: (435) 673-9080
Fax: (435) 673-9065

EXHIBIT A
FOR
RECREATIONAL VEHICLE PARK
SOUTH BLOCK PROPERTY
CITY OF ST. GEORGE,
WASHINGTON COUNTY, UTAH

PARCEL	ACRES
RV MINI STORAGE A	10.56
RV MINI STORAGE B	12.65
RECREATIONAL VEHICLE PARK	20.79
COMMUNITY COMMERCIAL AREA	8.65
COMMERCIAL AREA	23.14
FIRE STATION	2.10
OPEN SPACE AREA	5.34
PROPOSED ROAD	1.71
TOTAL	84.94

DRAWING NAME:
RV-PAD.dwg
SHEET
1
OF 1 SHEETS



5.6 Recreational Vehicle Park



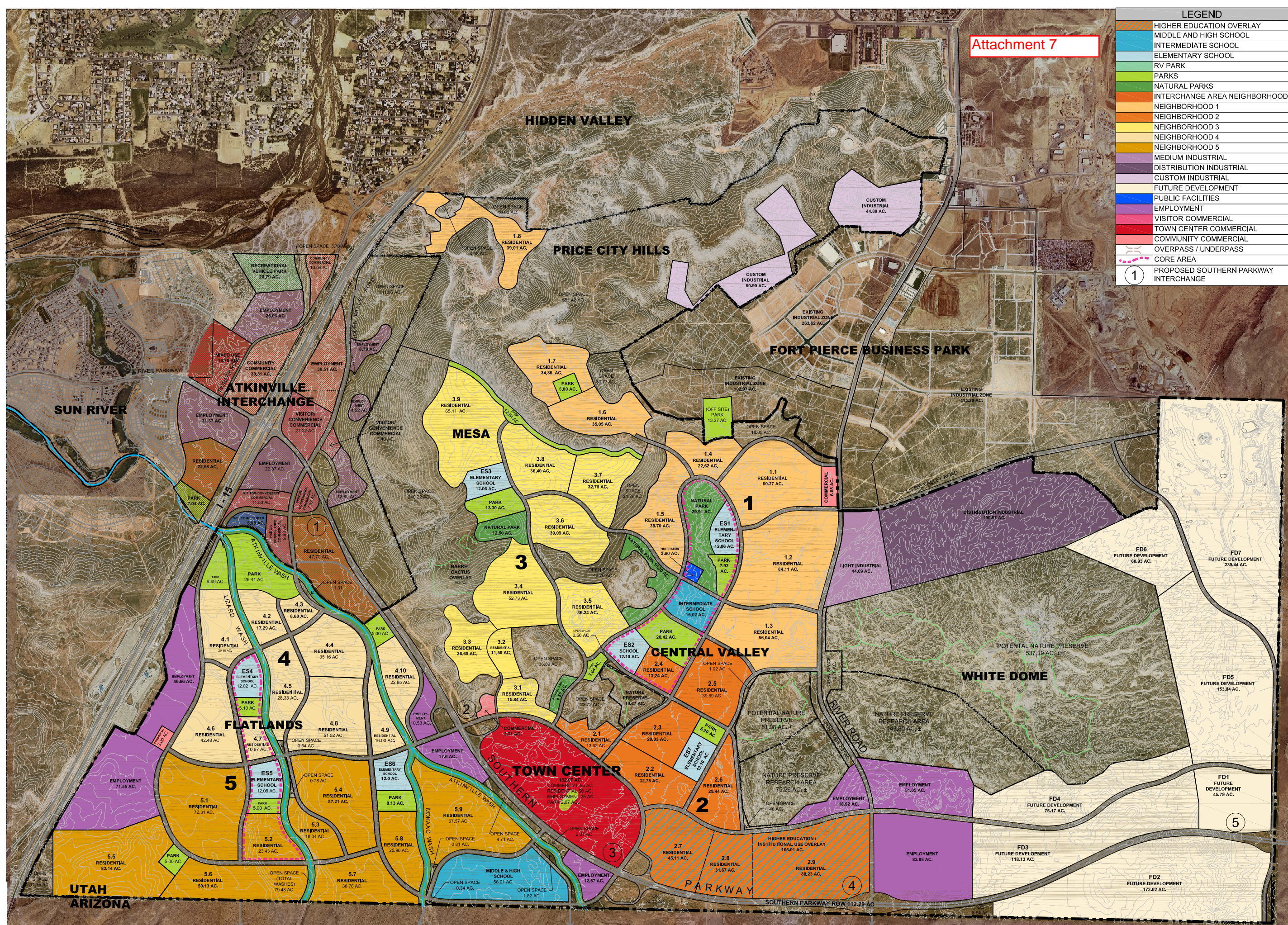
Natural landscaping and hardscape with limited turf due to soil conditions.





Individual recreational vehicle sites improved with full or limited utility hookups.





Attachment 7

LEGEND	
	HIGHER EDUCATION OVERLAY
	MIDDLE AND HIGH SCHOOL
	INTERMEDIATE SCHOOL
	ELEMENTARY SCHOOL
	RV PARK
	PARKS
	NATURAL PARKS
	INTERCHANGE AREA NEIGHBORHOOD
	NEIGHBORHOOD 1
	NEIGHBORHOOD 2
	NEIGHBORHOOD 3
	NEIGHBORHOOD 4
	NEIGHBORHOOD 5
	MEDIUM INDUSTRIAL
	DISTRIBUTION INDUSTRIAL
	CUSTOM INDUSTRIAL
	FUTURE DEVELOPMENT
	PUBLIC FACILITIES
	EMPLOYMENT
	VISITOR COMMERCIAL
	TOWN CENTER COMMERCIAL
	COMMUNITY COMMERCIAL
	OVERPASS / UNDERPASS
	CORE AREA
	PROPOSED SOUTHERN PARKWAY INTERCHANGE